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SUPERMARKET BUSINESS

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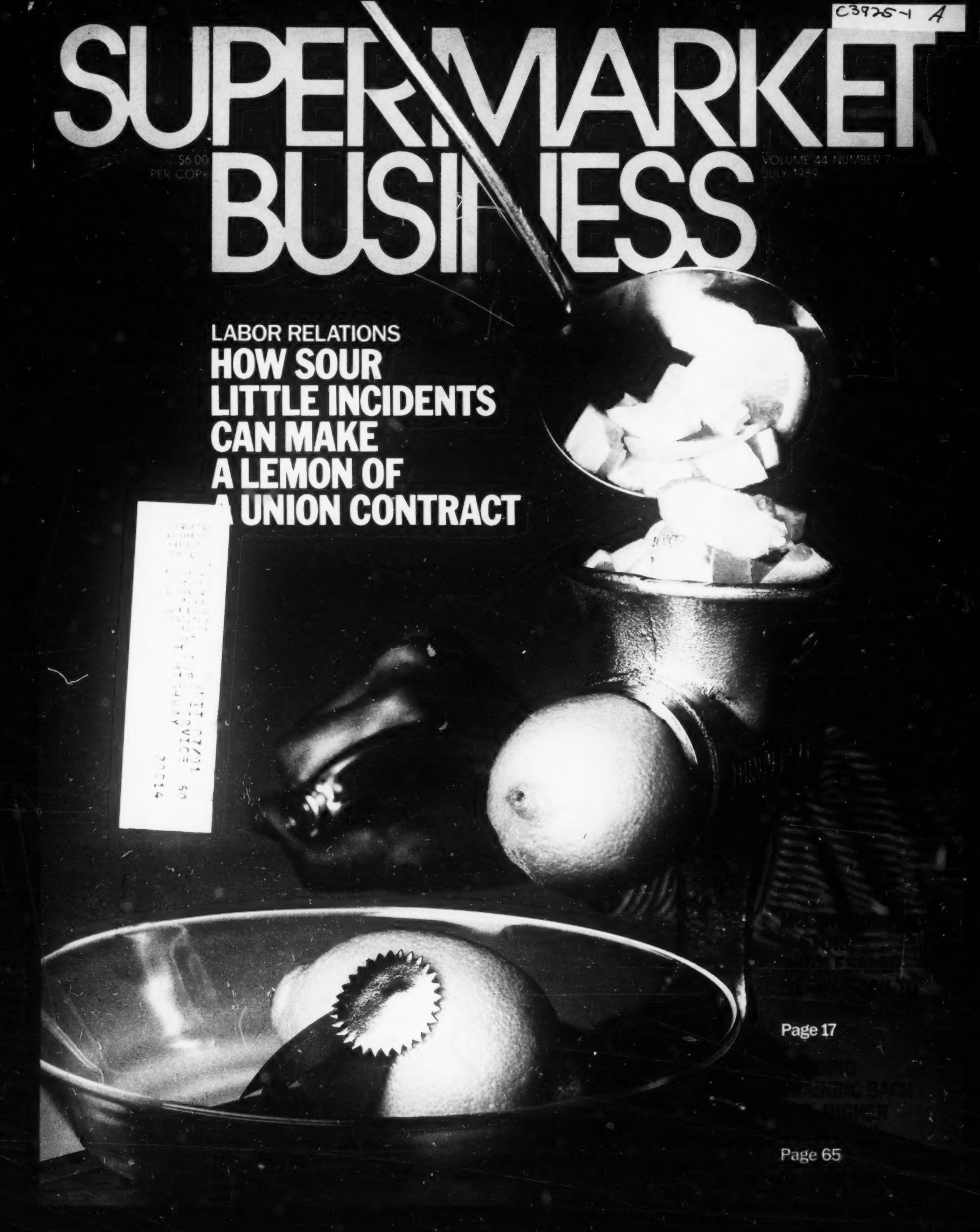
JULY 1989

LABOR RELATIONS

HOW SOUR LITTLE INCIDENTS CAN MAKE A LEMON OF A UNION CONTRACT



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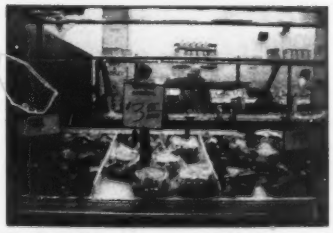

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BPA ABP

By Ken Parich, Editor-in-Chief

Why I Like Going To CIES

Going to CIES, especially when it is some place such as Cannes or Geneva, as it was last month, is kind of like starting your summer vacation early. There is a great sense of fun and good humor, and this is expressed by most of the speakers. *(But I can't help thinking: There is also, I suspect, a good deal of "code" spoken by the Europeans, who understand each other in ways that we probably never will.*

Monday morning: 9:00. Jules Kyburz, chairman of Migros. Jules talks about founding of Migros by Gottlieb Duttweiler, and how the huge consumer co-op is still dedicated to social and cultural policy, while making money hand over fist in the supermarket and other diversified businesses. *(I believe I wrote a feature on Migros about 15 years ago. I am glad to see that things haven't changed much. And that Migros is still going strong.*

Deni Defforey, chairman of Carrefour, is on next to explain Carrefour's policy of management decentralization. The theory is simple: The people at the stores know the customers and the competition better than the central management; let them run it. *(Want to ask how this applies to Philadelphia, but figure Deni would never answer the question. During the Q&A period, a trade paper editor asks Deni: How are things going in Philadelphia, and what are your plans in the U.S. for the future? Can't wait for Deni's answer, because I know this is no pussycat.*

"That's a very journalistic question," says Deni. *(Audience roars.) And he doesn't bother to add: "And I am not going to answer it." Then Deni remembers what he has just been saying and adds:*

"I just told you we are diversified; how do I know what they are going to do?" *Now I know we are back on the "code."*

11:00. Kraft General Foods. CIES has no problem with putting manufacturers on the program. *(Why not? Kraft GF, USA is buying lunch). Oh, John Richman has survived the merger. Last time we heard from John was at the NAWGA meeting, I think, when he was head of Kraft and was on the program with Johnson of Nabisco. Wonder what Johnson is doing these days. Counting his money, probably. We learn just how big the new company is (even without Philip Morris). I guess this kind of tells the European big guys that the US of A is ready to play hardball in global marketing.*

> **I never hear a foreigner use sports or military analogies when talking about successful businesses or successful strategies.**

Afternoon session: Andy Pearson of Harvard, formerly of Pepsico, tells the audience the benefits of having a tough competitor like Coke. *Good message. I wonder how many Europeans really believe it?*

Andy is followed by Roland Smith, another business school professor, and head of British Aerospace, the largest manufacturer in the UK. *Smith sounds like a pretty cool cat, with a sense of humor, that rarest of rarities among businessmen. He actually seems to understand what his role is as a CEO. Incredible. He understands that he does not need to know as much about how to make things as the engineers, but needs to worry about who (including what countries) they are making things for, and to what purpose. He talks a lot about innovation and risk taking, which you didn't used to hear much about in Europe.*

Then he shows us how they are taking the Rover Motors company into the real world by getting close to Honda in some deals, which isn't too stupid. *(I am thinking all the time that I wonder how many people realize that the Brits own a lot more of American business than the Japanese do, but all we hear about are the Japanese.) I am also thinking that companies like this that are closely associated to national government goals do not have to play the short-term games that many U.S. companies do. And in the long run, that this kind of competition for U.S. companies may be a good thing. After all, to have competition does not necessarily mean that you either win or you lose. I am thinking, too, that I never hear a foreigner use sports or military analogies when talking about successful businesses or successful strategies. I am thinking that these analogies are of little use in this day of global marketing, and the sooner we forget about them the better. And I now know why it is good to hear from other countries and other industries, because it makes you think. I am glad I came to CIES this year, even if I am still half asleep.*

Next is Michele-Edouard LeClerc. *Never could quite understand the group that LeClerc heads up. Sounds like a voluntary, is more like a buying co-op, but is apparently more strongly put together than any of those.* LeClerc's subject is "Communications as a Strategic Tool." LeClerc's group represents some $12 billion in sales. As near as I can tell, what LeClerc is talking about is using the "consumer" as a propaganda tool. With hefty messages about "price" (low, of course), independents, and, of course, hypermarkets, and what not. *A lot of code here.*

Then there are questions. We get into some tough stuff about brands, prices and consumers,

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When it comes to contract negotiations, an ounce of (problem) prevention can be worth a pound of cure.

PRESCRIPTION TO AVOID A STRIKE

BY MATTHEW GOODFELLOW, Ph. D.
University Research Center

Throughout the U.S., there were 3,021 strikes in 1988. For almost all of them, there was no reasonable cause—only an excuse.

What businesses were struck most often? Supermarkets are high on the list.

Table I covers the industries with the most strikes. In non-manufacturing, the leaders were hospitals, utilities ... and retail food stores.

Last year, they included Giant Eagle, Pathmark, Safeway, Bon Marche, Albertson's and Alpha Beta.

If yours was among the companies struck by a union, and if you could negotiate all over again, would you have done things differently at the bargaining table?

The answer in most cases is "yes." But what things? Most labor upheavals—or near-upheavals—occur not because of what took place at the bargaining table, but because of what had been taking place many months before the strike occurred.

Our research finds that while most strikes could have been avoid, the prevention depended not on the grips and grapples of the opposing bargainers, but on the policies and practices the company followed *long before* the negotiating took place.

Typically, while companies prepare for negotiations 60 or 90 days in advance, they do not realize that by the time they sit down to bargain, strike fever among employees may be so high it cannot be cooled.

In this situation, avoiding a strike is almost impossible ... unless the company decides to give the store away at the table.

If a company is anxious to achieve a reasonable contract with some modest increases in wages (or wage freeze), and with some revision of the medical plan, changes in work rules, absenteeism policies and vacation programs, etc., it will require more than an effort solely at the bargaining table.

Program in advance

The rank-and-file must be persuaded, far in advance of negotiations, that such management proposals, when later presented at the table, are rational and needed. (See University Research Center's earlier study, "Avoid Becoming A Strike Statistic," dated August 1988.)

The persuasion of the rank-and-file calls for an active program months and sometimes a year or two before negotiations. Many executives do not understand this, since they have convinced themselves that their proposals are logical and reasonable— which they usually are. They are confident that their persuasive powers can "sell" the company's program at the table. When that fails, they are surprised, indignant and vindictive. But none of that helps the company.

In the U.S., as indicated, there were about 3,000 strikes in 1988. Table II gives the distribution of strikes by facility size. The majority of the strikes took place in facilities with fewer than 500 workers; most were in the area of 200 to 300 employees; many strikes were in smaller units.

Alleged reasons

In interviewing a large number of executives from companies that had experienced strikes in 1988, we found the typical explanation for the strike occurrence fell into seven categories:

1. The radical element in the union gained the upper hand.
2. The union committee insisted on a big "give back" of past concessions. We couldn't afford it.
3. The union committee kept comparing our rates with those of other neighboring companies in other industries. We're not General Motors. We can't pay auto industry or big steel or chemical company rates.
4. When we showed the union committee the rates our competitors were paying, they insisted we could afford better.
5. The committee wouldn't accept our audited annual report and flatly said that the company kept "two sets of books."
6. The union's only rejoinder to the argument that company earnings are too poor: Cut executive salaries.
7. The union committee said

Illustration Steve Sweny

that they couldn't "sell" our proposal to the rank-and-file, so there was no use taking it back for a vote.

It takes two to tango, but these executive observations seem to indicate that all the fault lay on the union side. Any errors on the management side?

Strike causes

In a classic study entitled "Who Strikes And Why" (*Harvard Business Review*, November/December 1983), the research indicated that despite the common wisdom that money was the primary cause of strikes, the real causes lay elsewhere. Consider one case:

A manager of a New England supermarket with 300 employees negotiated a contract in 1985 with the United Food & Commercial Workers. It was not everything he wanted, but "he could live with it," he said. Actually, it was quite favorable for the company because the recession had weakened the union.

In the next three years the store manager broke sales records (praise from the home office); managed to terminate 32 "bad apples" who seemed to be lying down on the job; cut his personnel staff to save on indirect costs (more praise from the home office), stonewalled heaps of grievances, which led to arbitration in 26 cases, almost all of which he won (more praise from the home office); insisted on compulsory overtime for extended periods rather than add to work force (heaps of praise from the home office); and successfully disputed with union stewards over procedures and use of seniority in assignments.

In 1988, when the new contract was being negotiated, the store manager offered what he considered a "fair" contract, but the union "laundry list" of demands not only far exceeded the limits the store manager expected, it also exceeded his authorization. A violent 12-week strike ensued, with the eventual settlement close to the original offer. The store manager could not understand the union's obdurate behavior, and attributed it all to the "radical element" in the union.

Later, our research for the parent corporation indicated that the strike sentiment had been building all through the three-year period.

Fuel for a strike was the store manager's behavior, which indicated he regarded the labor agreement simply as a contract to purchase so much labor at such-and-such a price—the same as a contract to purchase 100 gross of canned peaches or jellies. Stonewalling grievances created no friends in the work force, and his insistence on compulsory overtime for extended periods exacerbated employees and their families. In short, the rank-and-file sentiment was to hit back at the store management, and the strike was the result. Cost of the strike to the company: several million dollars.

TABLE I
STRIKES: 1988

INDUSTRY	2-Digit SIC Code*	No. Of Strikes
	20 Food & Kindred Products	45
	25 Furniture & Fixtures	81
	26 Paper & Allied Products	52
	29 Petroleum Refining	61
	30 Rubber & Plastics	141
	34 Fabricated Metals	264
	35 Machinery, Except Electrical	162
	36 Electrical Machinery	102
	37 Transportation Equipment	168
	38 Instruments	26
	42 Motor Freight Transport & Warehousing	403
	49 Electric, Gas Services	45
	52 Building Materials & Farm Equipment Dealers	29
	54 Food Stores	167
	55 Auto Dealers	72
	63 Insurance Carriers	56
	80 Medical & Health	209

*SIC Codes 20-38 refer to main manufacturing industries; SIC Codes 52-80 refer to retail trades.

Source: U.S. Bureau of Labor Statistics, University Research Center

A branch plant case

Consider another case. In a supermarket with 250 employees in a central Pennsylvania location, the store manager was too busy to pay attention to anything but sales and stock ordering in response to corporate demands. The home office insisted on a constant flow of statistical reports to alert the high command to such problems as deviations from standards, missed budgets, divergence from profit plans, inaccurate sales forecasts, accident rate increases and labor cost factors. These were readily quantifiable and computerized. But personnel discontent, store floor disputes and supervisors' arbitrary decisions were not computerized.

As the store grew, complaints — even petty ones — were channeled through the store personnel people, who were so overworked that they had no time to handle them. The union made a good number into third-step grievances. Any surprise about a nine-week strike at the next negotiations?

A different example

An example from the manufacturing side may be illuminating. Nashville Bridge was the sole division of American Ship Building to adopt a new approach to labor relations. In the fall of 1975, the company, which built barges and large towboats in two plants along the Cumberland River, had a bitter 14-week strike involving 1,200 employees. After the strike, W.H. Barton, Jr., then president, decided to make a concentrated attempt to restore amicable labor-management relations. The company began a program of nondirective interview/feedback conferences with all employees, all under the direction of an expert consultant.

As a result of the conference program and management response, the production scheduling system — a source of much discontent — was revised, leading to reduced downtime and inventories, thus boosting efficiency and profitability. Supervisory and management training sessions were started, tailored to the problems revealed by the employee conferences. Several sessions focused on keeping shop floor problems from becoming formal grievances. Within six months after the program had begun, grievances dropped 88 percent.

As a result of these efforts, employee productivity and company profitability increased, the 1978, 1981 and 1984 contracts were successfully negotiated early, and employees evidenced no strike desire.

Nashville Bridge was the sole

Continued on page 28

Almost all the successful companies of those cited used some sort of two-way communications program, far in advance of negotiations, to ascertain employee sentiment on various subjects.

division of American Ship Building to adopt this enlightened approach to labor relations. Other divisions continued to operate as usual. The company's large AmShip division, with plants in Ohio and Illinois, experienced a 97-day strike in 1975. The ill feeling carried over to 1978, when an 11-month strike took place. Finally, in July 1979, the boilermakers signed a new 50-month contract.

At another American Ship Building subsidiary, the Tampa Ship Repair and Drydock Co., there was a three-week strike in 1975 and a 31-day strike in 1978. The Building Products Division had a four-week strike in 1977 in its largest facility, in Chicago.

The bottom line

The moral of all this can be stated succinctly: Unless there is good will on both sides when negotiations begin, trouble will probably ensue, despite executive optimism that they can "handle" the situation.

University Research Center has tracked 550 cases in which companies needed to secure a reasonable contract, hoping to settle without a labor upheaval. In only 11 of those 550 cases did the company fail to achieve a satisfactory contract. In those 11 instances a strike occurred; in the remaining 539 instances, the union accepted the contract without an upheaval, often with concessions. In short, 98 percent of this group of 550 companies were successful in gaining the sort of contract they wanted without a strike. How was that accomplished?

Our extensive research into these companies confirms a consistent finding: Most employee bitterness is not related to money, but to management's actions, arbitrariness, refusal to pay attention to work force sentiments and the perception of management's attitude that employees are mere adjuncts to the stocked shelves. (These may be misperceptions, but so long as they exist in employee minds, they are as real as rain.)

In such instances, a company president, even if he quoted Holy Scripture while asking a union committee for a moderate or concessionary contract in order to contain costs, may not be believed.

In short, management has lost credibility and a strike ensues, or is apt to ensue. (See the report, "Management Credibility: How To Get It, How To Use It," by the author, dated December 1984.)

A successful formula

Almost all the successful companies of the 550 cited above used some sort of two-way communications program, far in advance of negotiations, to ascertain employee sentiment about their jobs, materials, supplies, supervision, working environment, management, etc. That sort of communications system relies on structured interview conferences with employees and provides all the clues as to what the real issues are, and how to defuse them. In most of the 550 instances, that sort of program was inaugurated many months before negotiations began. If left to the last 60 or 90 days before negotiations start, employees regard it as "brainwashing" and spurn it.

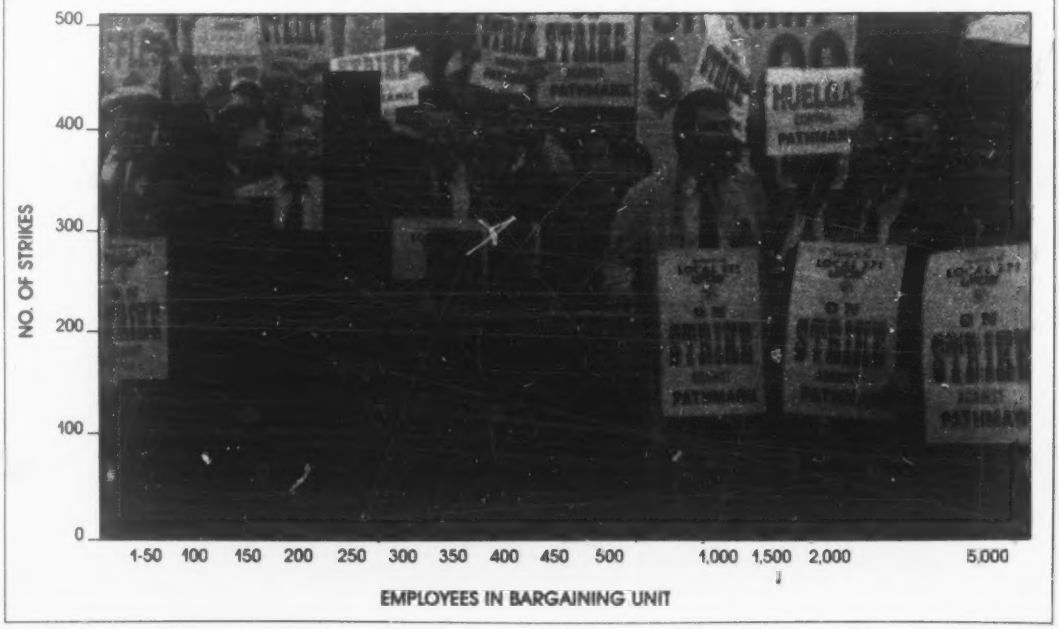
Moreover, the program has to be started by an independent outsider, mainly because employees are reluctant to speak frankly to a company executive. They fear reprisals if they sound critical of the store management or its executives. With such a two-way communications system started by an outsider well in advance of negotiations, companies found that it was easy to gain serious employee consideration of the necessity for wage freezes, modifications in the medical/hospital insurance program, changes in the work rules, and even willing cooperation on improving productivity, sales cost-saving, and other related activities. This may not assure 100 percent acceptance of the company position, but 98 percent isn't bad.

There are a good number of successful companies—union and nonunion—that regularly practice such methods and highly recommend such a system. Among them are: Marshall Field, I. Magnin, Bloomingdale's, Rockwell International, Sears, Kraft Foods, DuPont, Bell & Howell, Cooper Tire, Pioneer Plastics (Libbey-Owens-Ford), Signode, General Electric, Quanex Steel, Inland Steel, Johnson & Johnson, REA Magnet Wire (Alcoa) and a host of others.

Most of these and other companies utilized the services of consultants who specialize in developing strike avoidance, two-way communications systems and training company personnel on how to use the system for most effective results.

For a recommendation on such a knowledgeable consultant, address requests to the author at SUPERMARKET BUSINESS, Editorial Dept., 25 West 43rd Street, Room 707, New York, N.Y. 10036.

TABLE II
STRIKES & EMPLOYEES IN BARGAINING UNIT—1988



Source: BLS & University Research Center

Most employee bitterness is not related to money but to management's actions, arbitrariness, refusal to pay attention to work force sentiments and the perception of management's attitude that employees are mere adjuncts to the stocked shelves.

HEALTH & BEAUTY AIDS: SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

PRODUCT GROUP AND CATEGORY	% CHANGE VS. YEAR AGO 4 WEEKS ENDING 2/24/89	4 WEEKS ENDING 3/24/89	4 WEEKS ENDING 4/21/89
BABY NEEDS	**– 5.4%**	**– 4.9%**	**– 2.6%**
Baby Powders	+ 3.3	– 5.1	+16.5
Baby Oils, Creams & Lotions	–11.4	– 9.5	–11.5
Infant Clothes	–10.9	– 4.4	–10.1
Nursing Supplies	– 0.4	+ 1.2	+ 2.2
DEODORANTS	**+ 1.6%**	**– 0.7%**	**+ 2.0%**
Sprays	+ 5.7	– 6.0	+ 4.9
Roll-Ons	– 5.5	– 4.0	– 7.8
Stick Deodorants & Pads	+ 2.5	+ 3.7	+ 6.2
Creams	–14.8	–11.4	– 9.6
Deodorants & Talcum Powders	+ 8.9	– 3.9	–18.8
Feminine Hygiene Deodorants	+21.9	+24.1	+15.6
Foot Deodorants & Athlete's Foot Remedies	+ 7.3	+ 1.8	+ 0.1
Feminine Douches	+ 3.2	– 1.4	+ 7.1
FIRST AID	**– 3.0%**	**– 3.7%**	**+ 0.8%**
Antiseptics	– 3.2	– 7.7	– 2.1
First Aid Products	– 3.0	– 2.4	+ 1.8
HAIR CARE NEEDS	**+ 0.6%**	**+ 1.2%**	**+ 0.7%**
Shampoos	– 1.5	+ 2.5	– 0.5
Hair Sprays	+ 5.7	– 1.8	+ 2.1
Hair Conditioning Rinses	+ 3.2	+ 6.2	+ 4.2
Hair Setting Needs	– 0.5	+ 3.7	+ 5.1
Home Permanent Kits	– 9.1	– 9.1	– 3.2
Hair Coloring	– 4.0	– 1.5	– 7.4
Hair Dressing Needs	–11.6	–12.9	– 8.7
ORAL HYGIENE	**– 5.8%**	**– 3.1%**	**– 2.7%**
Toothpastes & Powders	– 9.6	– 4.2	– 6.6
Mouthwashes	– 0.5	+ 2.0	+ 4.9
Breath Fresheners	– 2.2	– 3.1	+ 6.6
Denture Cleaners	– 0.4	– 9.9	– 1.4
Denture Adhesives	– 1.1	– 2.8	– 2.9
Toothbrushes	– 1.3	– 3.9	+ 0.9
Dental Aids	– 3.7	– 3.8	+ 6.2
PROPRIETARY REMEDIES	**+ 2.5%**	**– 1.7%**	**– 4.0%**
Antacids	– 4.9	– 6.7	– 6.9
Internal Analgesics	+ 0.1	– 1.1	– 3.7
External Analgesics	– 3.5	– 4.5	– 9.5
Cold Remedies	+13.9	+ 4.0	+ 0.3
Nasal Sprays—Drops—Inhalers	– 5.3	–10.8	–12.9
Chest Rubs	+ 8.5	+ 3.3	– 7.6
Cough Remedies	+ 8.2	– 2.9	– 7.0
Laxatives	– 3.1	+ 0.6	– 3.1
Sleeping Aids	+ 2.7	+ 1.5	– 4.0
Tranquilizers	+ 9.1	+ 1.1	– 3.5
Synthetic Vitamins	+ 5.5	+ 0.3	– 2.3
Eye Care Products	+ 2.5	+ 7.0	+ 6.5
Appetite Suppressants	–23.4	–22.9	–17.4
SHAVING NEEDS	**+ 1.8%**	**– 4.8%**	**– 0.5%**
Shaving Creams	–11.2	–13.0	+ 5.8
Pre-Shave Lotions	+ 9.7	– 4.2	+ 5.9
After-Shave Lotions	+ 1.7	– 5.6	–15.7
Razor Blades	+ 7.2	– 0.6	+ 0.6
Razors & Blades	– 3.3	+ 4.2	+ 3.3
SKIN CARE AIDS	**+ 2.5%**	**+ 7.1%**	**– 0.8%**
Hand & Body Creams & Lotions	+ 2.4	+14.9	+ 9.4
Facial Preparations	+ 7.9	– 2.0	+ 1.1
Lip Care Products	– 3.6	+ 0.7	–15.6
Suntan Lotions & Oils	+42.3	+19.5	– 3.9
Cosmetic & Medicated Skin Aids	+ 0.9	– 3.9	+ 4.7
TOTAL ALL CATEGORIES	**– 0.1%**	**– 1.1%**	**– 1.6%**

April Proves A Lackluster Month For HBA Movement In Food Stores

Five of eight product groups suffer losses, led by a 4% decline among proprietary remedies.

By ALAN MILLER JR.

During the four weeks ending April 21, 1989, unit sales of health and beauty aids in 52 product categories tracked by Arbitron's SAMI division amounted to 263.7 million. This total reflected a decline of 4.2 million units, or 1.6% from the level during the corresponding year-earlier period.

Only three out of eight product groups had unit volume gains, and those were on the modest side: deodorants (+2.0%), first aid (+0.8%) and hair care needs (+0.7%). The sharpest loss rate on a product group measurement basis was the 4.0% drop among proprietary remedies, followed by a 2.7% down trend for oral hygiene and a 2.6% setback for baby needs.

Health and beauty aids was the only product department with a negative tonnage trend during this reporting period. By way of contrast, sales movement among dry grocery nonfood items was 1.5% higher, and among foods there were poundage gains of 0.6% for shelf-stable items, 1.7% for frozen and 4.2% for refrigerated foods.

Dollar sales for HBA rose 3.2% to $676.0 million, but this gain rate was only about half the rate of increase found in the other product departments during the 28-day span. The highest retail dollar rate of gain was 8.4% for dry grocery nonfood items. The dollar advances for the food departments were 6.0% for shelf-stable foods, 5.8% for frozen and 6.6% for refrigerated. These gain rates were all slightly higher than the annual dollar volume gains.

• The HBA trends in drug-stores nationally were not far apart from those recorded in food stores. In units, there was a loss of 0.9% in all 52 categories combined, while the dollar tally showed a 3.7% increase.

In food stores, 24 product categories showed four-week gains, while 28 suffered losses. However, there were also gains in three categories not shown in the accompanying table, which have not been tracked by SAMI for two full years. Four-week unit volume of contraceptives was ahead 19.8%, personal lubricants gained 25.3% and sales of home testing kits soared 58.2%.

The highest four-week HBA gain rate for a single category was 16.5% among baby powders. The sharpest rate of decline was 18.8%, found in the deodorant and talcum powders category.

Reversing a long-term rate of decline, baby powder sales showed an increase of 16.5% as the result of new product activity. Sales of nursing supplies were also ahead of year-ago levels to the tune of 2.2%. However, the other two categories in the baby needs product group were in arrears—11.5% for baby oils, creams and lotions and 10.1% for infant clothes. Unit sales in the four baby needs categories combined were off 2.6% for the four weeks, 3.9% for the 12 weeks and 2.2% for the full 52-week period.

Deodorants move ahead

Five of the eight categories of personal deodorants registered gains, topped by 15.6% for feminine hygiene deodorants, 7.1% for feminine douches/washes and 6.2% for stick deodorants. Spray deodorant unit volume rose 4.9% in spite of a 30% decline found in the body spray product class.

Losses of 7.8% for roll-ons, 9.6% for creams, and 18.8% for powders can be traced to the strong performances for the sprays and sticks. Volume of foot deodorants and athlete's foot remedies held just about even with year-ago four-week volume, although this category has an 8.4% gain rate for the year and a plus of 3.9% for the past 12

weeks. Sales of first aid products were 0.8% stronger than last year, reflecting a loss of 2.1% in four-week antiseptic sales, but an increase of 1.8% for first aid products. In the 52-week period the trends of these two categories are reversed, with antiseptics recording an increase of 1.4% and first aid products showing a 2.3% loss.

The four-week unit trends of hair care needs pretty much parallel the 12-week trending, although shampoos had a loss rate of half a percent during the four weeks; they managed a gain of 0.1% on a 12-week measurement basis. Classes of shampoos with good performance were dandruff/medicated, conditioning and special purpose, while those exhibiting weak trending included natural ingredient and all-purpose offerings.

Overall, the strong gains for hair sprays have abated somewhat, but among super-hard-to-hold pump items, the four-week gain exceeded 81%. For some time, hair conditioning rinses have outperformed shampoos, and the product classes with particular strength featured baby, fruit fragrance and special-purpose types.

Oral hygiene: mixed marks

Four of the seven oral hygiene categories tracked by SAMI showed gains, but not enough to erase the losses for toothpaste and powder (− 6.6%), denture cleaners (− 1.4%) and denture adhesives (− 2.9%). Much of the weakness in the toothpaste category can be attributed to the failure of paste and gel pumps to show growth over the year-ago period. The 4.9% four-week gain in the mouthwash category comes from nonfluoride rather than fluoride brands. The 6.6% increase in 28-day sales movement for breath fresheners was on a small volume base.

Four-week sales of proprietary remedies through food stores fell more than 3 million units, or 4.0%, and the loss was shared by 11 of the 14 categories measured. The only gain rates in the entire product group were 0.3% for cold remedies, 6.5% for eye care products and 0.1% for natural vitamins, minerals and supplements.

Antacids: cause for upset

All product classes of antacids recorded four-week losses in unit of volume. Liquids fell 12.5%, effervescents were down 7.9% and chewables were off 3.1%. The 3.7% drop in sales of internal analgesics represented nearly 1 million units. And the loss rate would have been higher if not for the continuing gains for nonaspirin and ibuprofen brands.

The tiny gain in the cold remedy category (0.3%) was the result of increased sales of sinus-related tablets and children's and hay fever liquids. Although the sales of nasal sprays-drops and liquids continued to exhibit weakness, there was a slight increase in unit volume of nasal sprays in April.

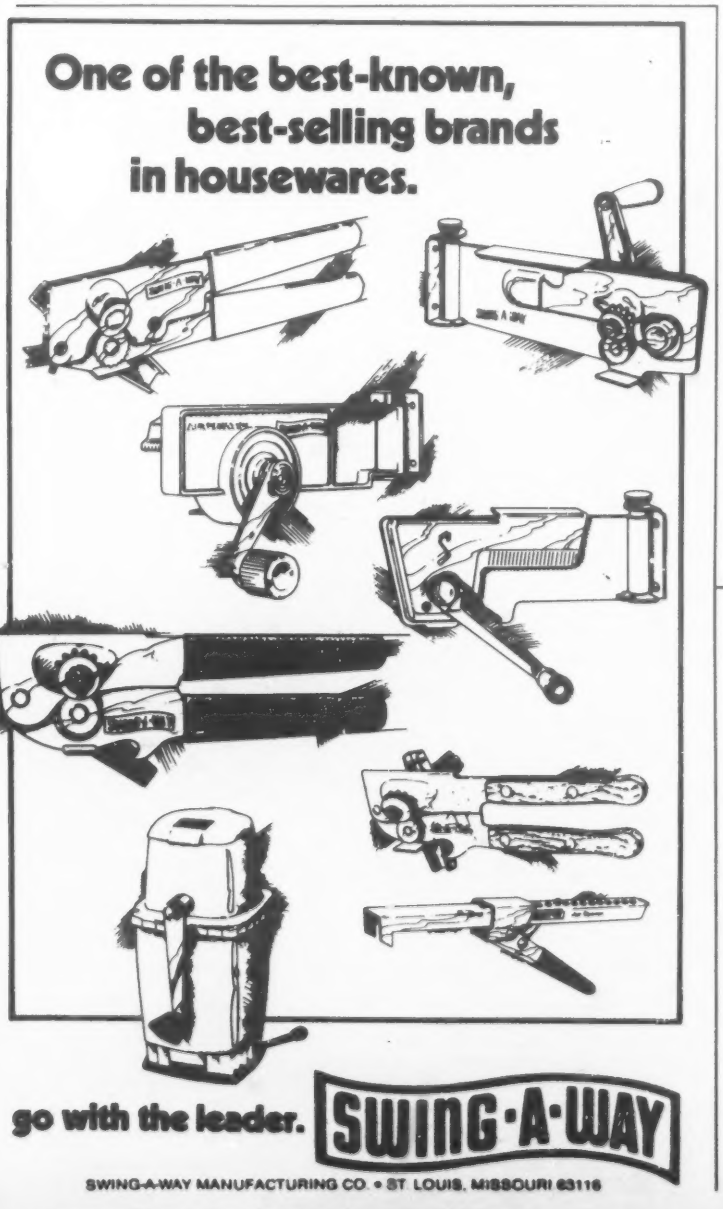
Since sales of chest rubs and cough remedies were down 7% or more, it can be concluded that April was a healthy month from the standpoint of respiratory problems or that last year was particularly poor in this respect. The 17.4% four-week decline for appetite suppressants was nearly sufficient to erase the annual gain rate, which stands at plus 12,000 units or 0.1%.

The gain rate among eye care products (6.5%) was provided by soft contact lens solutions and hard gas-permeable items. Increased sales of natural vitamins and supplements were enough to eliminate the loss found among minerals, but synthetic vitamin sales were 2.3% lower than in the same period during 1988.

Shaving creams gain

New product activity was responsible for the reversal of the negative trend in the shaving cream category. The gain of 5.8% during the four-week period compared favorably with the 6.3% loss for the 12 weeks or the 3.6% decline for the full year.

The shining star in the product group was found among hand and body creams/lotions, where sales moved ahead 600,000 units, or 9.4% more than the 1988 level for a similar four-week period. Facial preparations were 1.1% higher, while cosmetics and medicated skin aids reversed a negative trend and rose 4.7% ■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